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C O N F I D E N T I A L SECTION 01 OF 02 DUBAI 000167

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NEA/ARPI BAGWELL AND MASILKO

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TAGS: ECON EINV ETRD SCUL PGOV AE

SUBJECT: HOLY IHOTTZ, BATMAN OUTLINES UNLV AND OTHER PLANS FOR HOTEL AND HOSPITALITY TRAINING IN RAK

REF: DUBAI 166

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CLASSIFIED BY: Paul Sutphin, Consul General, Consulate Dubai,
DOS.

REASON: 1.4 (b), (d)

¶1. (C) Summary. In an ambitious bid to meet the region's swiftly growing hospitality training and infrastructure business needs, the Emirate of Ras al Khaimah (RAK) and US development firm Argentum, led by CEO Bobby Batman (also known as Bobby Batmanghelidj), is developing The International Hospitality Trade and Training Zone (IHOTTZ), a planned \$2.8 billion training campus and hospitality free zone. With the University of Nevada at Las Vegas (UNLV) College of Hotel Administration as a potential anchor tenant, IHOTTZ hopes to draw between 16 and 20 world renowned hospitality, culinary and hotel training programs to the yet-to-be built campus. However, Batman declined to discuss these partners, development funding sources, and the IHOTTZ location in RAK -- leaving us suspicious that IHOTTZ, for the moment, may be as much a reality as Batman's Gotham City namesake. End Summary.

Proposed Hospitality Trade Zone

¶2. (U) IHOTTZ is planned as a \$2.8billion joint venture between the Investment and Development Office of the Government of Ras al Khaimah and Argentum (a Vienna, Virginia based development company). Proposed is a 350 acre facility, comprised of a 90 acre training campus and a 260 acre hospitality industry free zone development. The ambitious training campus plans call for 16 to 20 educational institutions, including at least 2 hospitality- oriented MBA programs, a culinary school, a college of hotel administration, training centers for well known international hotel chains, language, call center and other assorted training institutions. The 260 acre free zone is to host everything from hospitality industrial manufacturing and distribution services to refrigeration warehouses, laundry operations and industrial baking (all designed to support RAK and other regional tourist destinations).

¶3. (SBU) Geared to offer affordable training to the region's booming hospitality industry, Argentum's CEO Bobby Batman (also known as Bobby Batmanghelidj) estimated that upon completion (in about 10 years) the 16-20 institutions combined in the IHOTTZ training zone would have total annual study and living capacity

for 15,000 students. Intent upon developing regional talent, the center intends to recruit students from MENA and South Asia, or as Batman put it "within a 5 hour flight from Dubai on Emirates Airlines". Specifically, Batman hopes to lure more Gulf locals into the sector, commenting "Emiritization and Saudization are critical to the growth of the hospitality industry in the region."

UNLV coming to the UAE?

¶4. (SBU) The "crown jewel" of the IHOTTZ training center, according to Batman, would be a UNLV satellite campus (UNLV opened a similar campus in Singapore in 2006). On April 4th, UNLV regents' green-lighted the self-funding project, dependent upon completion of RAK conducted feasibility study. UNLV will not financially contribute to the program; funding will be raised by RAK and Argentum. Batman suggested the feasibility study would be completed in the July/August timeframe (Comment: The study, given RAK's ambitions, is highly unlikely to conclude anything other than IHOTTZ is a great proposition. End Comment.) If all goes according to plan, the UNLV RAK campus could begin hosting students as early as Spring 2010, offering both a bachelor's degree in hotel administration and a master's degree in hospitality administration (the curriculum, fees, and degree, would be identical to that offered at the Nevada campus). According to the Argentum CEO, nine other U.S. educational institutions, including Johnson & Wales University and the University of California system, have been approached regarding establishing satellite campuses in the IHOTTZ training center. Batman would not disclose whether any of these organizations had actually expressed interest in the RAK project.

¶5. (C) Batman projected a small first class of students would matriculate in 2010, presumably in UNLV's programs, although their studies would commence at a temporary location, not at the planned IHOTTZ campus. Batman declined to name the other groups and hotels considering opening facilities at IHOTTZ, though he

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dropped names such as Cordon Bleu, Marriott and Hilton as the "typical" caliber of institution sought. He also declined describing exactly where in RAK the 350 acres of IHOTTZ would be located (Note: During a subsequent meeting with Rakeen COO Dr. Imad Haffar, a map of RAK development projects failed to note the IHOTTZ location and when queried as to its location, Haffar shook his head stating he hadn't heard of the project.) Finally, when asked the source of funding for IHOTTZ, Batman replied with a vague "there is substantial private industry interest", though, according to a Jan 29 'Gulf News' article, Batman stated that half of the project cost had already been secured.

¶6. (C) Comment: While it seems likely that some form of a UNLV satellite program will come to RAK (and mostly likely reside in temporary quarters provided by the RAK Investment Authority), the remainder of the ambitious plan has much of a pie-in-the-sky flavor to it. Either Batman was being coy in describing his future partners, funding sources and educational providers, or more likely they just don't exist yet. The fact that Chief of Operations at Rakeen (the largely Government of RAK-owned land developer) and two staff members at the RAK Chamber of Commerce and Industry were unfamiliar with the project, and that it doesn't appear on Rakeen's development map for RAK (which shows both Rakeen and non-Rakeen projects), leaves one suspicious that IHOTTZ, for the moment, may be as much a reality as Batman's Gotham City namesake. End comment.

SUTPHIN